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SECURITY INFORMATION

SOVIET UNION

(REJECTION OF AUSTRIAN TREATY BID)

1. The Soviet rejection of Austrian treaty negotiations follows several recent hints from Russian diplomats that an Austrian settlement would be possible.
 - a. These optimistic expressions, however, were contingent upon the US withdrawing its short treaty.
 - b. Both major Pravda editorials blamed the impasse on the West, but raised no new obstacles to an Austrian settlement.
2. The rejection may stem from the Kremlin's sensitivity to being "forced" into negotiations.
 - a. President Eisenhower said Austria was a test of Soviet sincerity; therefore negotiations might be interpreted as a sign of Soviet weakness.

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- b. In view of a possible four-power meeting, the Kremlin may not want to disclose its bargaining position on Austria at this time.
- 3. Moscow may feel the peace offensive can be sustained without major concessions in Europe.
 - a. Minor conciliatory gestures and the Korean negotiations already have produced divisive effects in the West.

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SOVIET UNION

(PRAVDA EDITORIAL)

1. The Pravda editorial betrays some nervousness over the Bermuda conference, but shows no change of Moscow policy on major issues.
 - a. If anything, Moscow takes a stiffer position, possibly from increased confidence that the West is at cross-purposes.
2. Pravda warns that the Bermuda meeting might preclude four-power discussions at a later date.
 - a. In effect, it says the Soviet Union will not participate in a conference which the West enters with fixed demands.
 - b. Instead, Moscow praises Churchill's proposal for a personalized conference without a fixed agenda.

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3. On major international issues, the editorial:
 - a. endorsed the Communist proposal of 7 May as the basis for a Korean truce.
 - b. agreed that Germany was the central issue in Europe, but repeated the Soviet position on Potsdam and a "united, peace-loving Germany."
 - c. argued again for the recognition of Red China.
 - d. blamed the US short treaty for the stalemate on Austria.
4. The editorial's most striking feature, according to Ambassador Bohlen, is the open attempt to play up to Britain and exploit Anglo-US differences.
 - a. Bohlen feels that Moscow has a greatly exaggerated view of these differences among the West.

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- b. The ambassador suggests the Soviets may offer a four-power meeting to forestall a three-power conference.
- 5. The editorial is in complete harmony with Stalin's article in Bolshevik last October.
 - a. Stalin said that a conflict between capitalist states is inevitable and more likely to occur than an attack on the Soviet Union.
 - b. The editorial states that the new regime "is adopting different methods rather than departing . . . from previous Soviet policy under Stalin."
- 6. It is noteworthy that the editorial mentions Senator McCarthy--for the first time in so official a document.

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- a. Referring to Atlee's endorsement on Red China's membership in the UN, the editorial says: "this statement is not based on Atlee's sympathy for communism, for perhaps only McCarthy could suspect him of such a thing..."
- b. This is a sign that, while the Kremlin has little interest in the purely domestic issue of US Communism, it will use Senator McCarthy's name for divisive effect on Anglo-American relations.

7. Among the few new elements in the editorial was that Moscow would examine seriously proposals on "economic and cultural connections between states."

- a. This suggests the USSR may view economic and cultural relations as the most promising first step in any Big Four conference.

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